

**Winn Community Health Center, Inc.**  
**Winnfield, Louisiana**

**Annual Financial Report**  
**As of and for the Year Ended December 31, 2012**

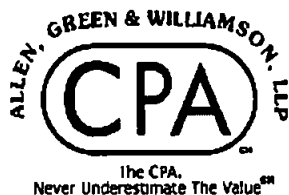
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 23 2013

**Winn Community Health Center, Inc.  
Winnfield, Louisiana**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Winn Community Health Center, Inc  
Winnfield, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Winn Community Health Center, Inc, which comprise the statement of financial position as of the year ended December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Health Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Health Center, as of December 31, 2012, and the changes in financial position and the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the Health Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health Center's internal control over financial reporting and compliance.

*Allen, Green & Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
June 26, 2013

**WINN COMMUNITY HEALTH CENTER, INC**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2012**

**Statement A**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 331,439
Receivables, net of allowance	174,225
Prepaid expenses	27,901
Utility Deposits	<u>2,876</u>

Total current assets	<u>536,441</u>
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Capital Asset Net of Depreciation	<u>779,343</u>
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<b>TOTAL ASSETS</b>	<b><u>1,315,784</u></b>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts, salaries and other payables	127,133
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**NET ASSETS**

Unrestricted net assets	
Capital assets	779,343
Operating	<u>409,308</u>

Total net assets	<u>1,188,651</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,315,784</u></b>
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**THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT**

**WINN COMMUNITY HEALTH CENTER, INC**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2012**

**Statement B**

	<u><b>UNRESTRICTED</b></u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>	
Net patient service revenue	\$ 1,446,414
Grant revenue	741,675
Other miscellaneous revenue	<u>57,444</u>
Total revenues, gains and other support	<u>2,245,533</u>
<b>EXPENSES AND LOSSES</b>	
Direct program expenses	<u>1,764,685</u>
Supporting Services Expense	
Office and administrative expenses	258,524
Interest and Bank fees	4,198
Depreciation expense	<u>33,800</u>
Total supporting services expense	<u>296,522</u>
Total expenses and losses	<u>2,061,207</u>
Change in net assets	184,326
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,004,325</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,188,651</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WINN COMMUNITY HEALTH CENTER, INC**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2012**

	<b>Statement C</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$ 184,326
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation expense	33,800
(Increase) decrease in Patient receivable	(108,927)
Prepaid expenses and deposits	(11,863)
(Decrease) increase in Accounts payable	<u>38,766</u>
Net cash provided (used) by operating activities	136,102
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(4,231)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Redeem investments in LPCA	<u>10,000</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	141,871
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>189,568</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 331,439</u></u>
Interest Paid	<u><u>\$ 121</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**Winn Community Health Center, Inc.**  
**Notes to the Basic Financial Statements**  
**December 31, 2012**

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**Winn Community Health Center, Inc.**  
**Notes to the Basic Financial Statements**  
**December 31, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Purpose** Winn Community Health Center was organized without capital stock under Louisiana laws on November 8, 2006, as a non-profit corporation for the purpose of operating one or more community health centers for the public and/or providing medical care or medical education for the benefit of the public. The Board of Directors of Winn Community Health Center is comprised of eleven members who serve without paid compensation.

**Income Taxes** Winn Community Health Center is qualified as an organization exempt from Federal income taxes pursuant to Paragraph 501(c)(3) of the Internal Revenue Code. No provision for income taxes is necessary.

The Health Centers Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2009, 2010, and 2011 are subject to examination by the IRS, generally for 3 years after they were filed.

**Fiscal Cycle** Winn Community Health Center's fiscal year is January 1<sup>st</sup> through December 31<sup>st</sup>.

**Budgetary Planning and Control** Once Winn Community Health Center determines the activities to undertake for the coming year(s), the budget is prepared to translate those goals, objectives, and plans into revenue and expense figures. The Chief Executive Officer develops the budget in collaboration with the executive staff with input obtained from others such as other senior management. The governing board's finance committee reviews and approves both the operating and capital expense budgets. Once approved, the budgets are submitted to the full board for review and approval. Budgets are reviewed quarterly and revised if deemed necessary. A continuing actual to budget comparison is prepared monthly with year-to-date figures in adequate detail to provide basic comparative data to staff responsible for expenses or revenues.

**Cash and Cash Equivalents** For purposes of the statement of cash flows, Winn Community Health Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Revenues** Winn Community Health Center receives income from patient billings and federal sources.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Patient Service Revenue** Net patient service revenue is patient revenue reported at Winn Community Health Center established rates less contractual adjustments, policy discounts and bad debt expense. Retroactive adjustments arising under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Winn Community Health Center has agreements with third-party payers that provide reimbursement to the Health Center at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Health Center's rates for services and amounts reimbursed by third-party payers. A summary of the basis of reimbursement with major third-party payers follows.

**Winn Community Health Center, Inc.**  
**Notes to the Basic Financial Statements**  
**December 31, 2012**

Medicare - Fee For Service – Reimbursed on one rate regardless of the services provided

Medicaid - Fee For Service - Reimbursed on one rate regardless of the services provided

Blue Cross - Fee For Service - Reimbursed on Blue Cross Fee Schedule

Commercial - Fee For Service - Reimbursed per contract or per payor's allowable fee schedule

The following is a summary of contractual and other adjustments to arrive at net patient service revenues for the year ended December 31, 2012

Gross patient service revenue	\$1,733,956
Less contractual adjustments	
Medicare	(4,251)
Medicaid	74,306
Other third parties	(313,977)
Bad debt expense	(43,620)
Net patient service revenue	<u>\$1,446,414</u>

**Property, Plant, and Equipment** Property and equipment acquisitions exceeding \$500 each are recorded at cost. Property and equipment donated for the Winn Community Health Center operations are valued at their fair market value as of the date received.

All exhaustible property and equipment are shown in the accompanying financial statements at their original costs, less accumulated depreciation. Depreciation is recorded on the straight-line method over the useful lives as follows:

Land improvements	10-30 years
Buildings	15-40 years
Fixed equipment	5-20 years
Major moveable equipment	3-20 years

**Compensated Absences** The policy states the following:

The amount of paid time off (PTO) accrual or credit is based on the number of years of continuous service as shown in the following schedule:

<u>LENGTH OF SERVICE</u>	<u>PTO DAYS EARNED</u>
1-2 years	1 week
3-5 years	2 weeks
6-9 years	3 weeks

In addition, each employee will receive one day per month that can be used for personal or sick leave.

An employee must work one full year before any vacation leave is accrued. Vacation time is accrued at each employee's anniversary date.

**Winn Community Health Center, Inc.**  
**Notes to the Basic Financial Statements**  
**December 31, 2012**

All regular full-time employees are eligible for holiday pay at their regular base rate for holidays on which the Health Center is normally closed

Up to 10 days leave may be carried over from one year to the next Leave accrued in excess of thirty days will be lost at the end of the calendar year

If employees terminate employment and have accrued but unused vacation days, they will be paid for those days on their final paycheck Unused sick/personal days will be forfeited

Winn Community Health Center offers a benefit plan which includes health insurance coverage for employees and dependents The employee's premium is paid 100% by the Health Center and any dependent coverage is paid 100% by the employee Winn Community Health Center also pays 100% of the cost of life insurance for each employee

**NOTE 2 - DEPOSITS** At December 31, 2012, the Health Center had cash and cash equivalents (book balances) totaling \$331,439 in demand deposits Deposits are stated at cost, which approximates fair value These deposits (or the resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties At year end, the Health Centers' carrying amount of deposits was \$331,439 and the bank balance was \$327,676 The bank balance of \$322,346 was covered by federal deposit insurance This left a \$5,330 bank balance that is uninsured

**NOTE 3 - ACCOUNTS RECEIVABLE** Accounts receivable, net of allowance was \$174,225 at December 31, 2012, and consists of amounts due for patient billings The allowance for doubtful accounts was \$62,000 at December 31, 2012

**NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT** The balances and changes in property, plant, and equipment as of and for the year ended December 31, 2012 are as follows

	Balance Beginning	Additions	Deletions	Balance Ending
Asset type				
Land	\$ 28,000	\$ -	\$ -	\$ 28,000
Buildings	633,102	-	-	633,102
Furniture and equipment	189,079	4,229	-	193,308
Vehicles	-	-	-	-
Total	<u>850,181</u>	<u>4,229</u>	<u>-</u>	<u>854,410</u>
Accumulated depreciation				
Buildings	16,680	15,828	-	32,508
Furniture and equipment	24,587	17,972	-	42,559
Vehicles	-	-	-	-
Total	<u>41,267</u>	<u>33,800</u>	<u>-</u>	<u>75,067</u>
Total Property, Plant Equipment	<u>\$ 808,914</u>	<u>\$ (29,571)</u>	<u>\$ -</u>	<u>\$ 779,343</u>

**Winn Community Health Center, Inc.**  
**Notes to the Basic Financial Statements**  
**December 31, 2012**

**NOTE 5 - COMMITMENTS AND CONTINGENCIES** The Health Center participates in a federally assisted program. Although the grant program has been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 through December 31, 2012, this program is still subject to compliance audits. Health Center management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

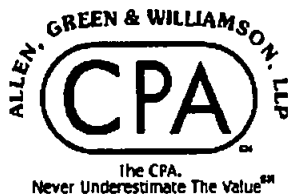
**NOTE 6 - CONCENTRATIONS** For the year ended December 31, 2012, the Health Center received \$741,675 in Community Health Center grants from the Department of Health and Human Services. The \$741,675 represents 33% of the total revenue received.

**NOTE 7 - ACCOUNTS, SALARIES AND OTHER PAYABLES** Accounts payable consists of the following:

Accounts payable	\$ 50,483
Salaries payable	60,504
Compensated absences	<u>16,146</u>
Total	<u>\$ 127,133</u>

**NOTE 8 - SUBSEQUENT EVENTS** The Health Center has evaluated subsequent events through June 26, 2013, the date the financial statements were available to be issued. In the first quarter of 2013, the Health Center purchased an adjacent building for \$150,000. This will enable them to expand their operations more as they continue to grow.

**NOTE 9 - NET ASSET RESERVE** The Health Center established a reserve account to be funded from program income on a monthly basis beginning in July 2010. The amount of the monthly contribution to the account is determined by the Finance Committee. At December 31, 2012, the reserve was \$255,330.



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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

#### **Independent Auditor's Report**

The Board of Directors  
Winn Community Health Center, Inc  
Winnfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Winn Community Health Center, Inc, as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Health Center's basic financial statements, and have issued our report thereon dated June 26, 2013

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Health Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Health Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses and significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

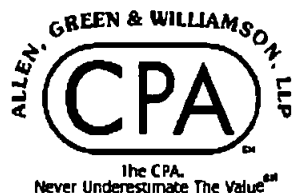
As part of obtaining reasonable assurance about whether the Health Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Health Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green + Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
June 26, 2013



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## **Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB A-133**

### **Independent Auditor's Report**

The Board of Directors  
Winn Community Health Center, Inc  
Winnfield, Louisiana

#### **Report on Compliance for Each Major Federal Program**

We have audited Winn Community Health Center, Inc 's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Health Center's major federal programs for the year ended December 31, 2012. The Health Center's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Health Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Health Center's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Health Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Report on Internal Control Over Compliance**

Management of the Health Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Health Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Health Center's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Although the intended purpose of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
June 26, 2013



**Winn Community Health Center, Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012**

**CASH FEDERAL AWARDS**

Department of Health and Human Services

Direct Programs

Health Centers Cluster

Affordable Care Act Grants for New and Expanded  
Services Under the Health Centers Program

93 527

H80CS12857

741,675

Total Department of Health and Human Services

741,675

Total Expenditures Federal Awards

\$ 741,675

**Winn Community Health Center, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2012**

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Winn Community Health Center. The Winn Community Health Center reporting entity is defined in Note 1 to the Winn Community Health Center basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 4 - MATCHING REVENUES** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Winn Community Health Center, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

- i The type of audit report issued was unqualified
- ii There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States
- iii There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements

**Audit of Federal Awards**

- iv There were no significant deficiencies required to be disclosed by OMB Circular A-133
- v The type of report the auditor issued on compliance for major programs was unqualified
- vi The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section 510(a)
- vii The major federal program is  
Health Centers Cluster  
CFDA# 93 527 - Affordable Care Act Grant for New and Expanded Services Under the Health Centers Program
- viii The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section 520(b) was \$300,000
- ix The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section 530